



**Department of Justice  
U.S. Attorney's Office  
Southern District of Texas**

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**THREE CHARGED WITH TAX VIOLATIONS**

HOUSTON, TX – Three men charged in two separate and unrelated federal indictments have appeared in federal court this week to answer charges of evading federal income taxes, announced United States Attorney Don DeGabrielle.

On Thursday, April 20, 2006, Michael Lee Spear, charged with conspiracy and four counts of tax evasion, appeared before a United States Magistrate Judge. The indictment, returned by a Houston federal grand jury on April 12, 2006, accuses Spear of conspiracy to defraud the United States and four counts of tax evasion. According to allegations in the indictment, Spear and Richard A. Armagh conspired to impede, impair, obstruct, and defeat the lawful functions of the IRS in the collection of income taxes owed by Spear for the tax years 1994 through 1997, and 1999 through 2001. Spear is also accused in four counts of attempting to evade and defeat incomes taxes due and owing by him for the tax years 1994 through 1997, and 1999 through 2001. The indictment alleges that Spear evaded hundreds of thousands of dollars in tax liabilities during the specified years.

Spear has been released on a \$10,000 personal recognizance bond and is pending trial before United States District Judge Kenneth M. Hoyt on a date to be set later by the court.

Richard A. Armagh, named as a co-defendant in the conspiracy count of the indictment along with Spear, has not been arrested. A warrant remains outstanding for his arrest.

Each of the five counts alleged in the indictment carry a maximum penalty of five years imprisonment and a \$250,000 fine, upon conviction.

On Wednesday, April 19, 2006, James Scott Santi appeared in federal court to be arraigned on four charges of tax evasion. According to the indictment, returned by a Houston federal grand jury on April 10, 2006, Santi failed to make a U.S. Individual Tax Return for tax years 1999 through 2002, and failed to pay incomes taxes of over \$113,000 for those years. Santi is also alleged by indictment of attempting to conceal his income from the IRS.

Santi has been released on a \$50,000 personal recognizance bond and is pending trial before United States District Judge David Hittner on June 20, 2006.

Each of the four counts alleged in the indictment carry a maximum penalty of five years

imprisonment and a \$250,000 fine upon conviction.

The investigations leading to the indictments in these two cases are the result of an investigation conducted by special agents of the Internal Revenue Service Criminal Investigations and are being prosecuted by Assistant United States Attorney Charles Escher.

**An indictment is a formal accusation of criminal conduct, it is not evidence. A defendant is presumed innocent unless and until convicted through due process of law.**

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